

Education and Workforce Development Cabinet

Kentucky's jobless rate increases to 11.2 percent in October

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Editor's Note: Preliminary October and revised September labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate rose to 11.2 percent in October 2009 from a revised 10.9 percent in September 2009, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. October 2009's jobless rate is 4.3 percentage points higher than the 6.9 percent rate recorded in October 2008, and it matches the rate that Kentucky had in August 2009.

"The Kentucky economy showed some signs of improvement in October 2009. However, the increase in nonfarm employment is indicative of temporary hiring and strength in the employment services industry," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate increased from 9.8 percent in September 2009 to 10.2 percent in October 2009, according to the U.S. Department of Labor. This 10.2 percent rate is 1 percentage point below the 11.2 percent rate recorded in Kentucky in October 2009.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Seven of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment

increase in October 2009, while four decreased, according to OET. An increase of 2,900 jobs in October 2009 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,762,900. Since October 2008, Kentucky's nonfarm employment has plummeted by 81,900.

"This represents an easing in the employment losses in Kentucky's economy, which has hemorrhaged jobs in 19 months since the recession commenced in December 2007. Since the start of the recession, nonfarm employment in Kentucky has decreased by 109,500 positions," Detzel said.

According to the seasonally adjusted employment data, Kentucky's professional and business services sector surged by 5,000 positions in October 2009. This area has lost 1,800 employees since October 2008. The professional and business services sector includes professional, scientific and technical services, management of companies and administrative and support and waste management, including temporary help agencies.

"The job gains are concentrated in the administrative and support services industry, reflecting temporary hiring at a document processing center, the opening of a call center, and strength in the employment services industry," Detzel said.

The government sector, which includes public education, public administration agencies and state-owned hospitals, climbed by 1,200 jobs in October 2009. The sector has 3,100 fewer jobs compared to October 2008.

The financial activities sector gained 700 positions in October 2009. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has fallen by 4,000 positions over the past 12 months.

"The employment increase in this sector is a sign of hiring at real estate enterprises and an insurance company. Over the last month, real estate and rental and leasing businesses experienced an increase of 300 employees, which is indicative of an easing in the housing slump," Detzel said.

The state's leisure and hospitality sector reported an employment increase of 300 jobs in October 2009. Since October 2008, employment in the sector has declined by 1,600 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

Kentucky's trade, transportation and utilities sector added 200 jobs in October 2009. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 362,200 employees. Since October 2008, the number of jobs in this sector has fallen by 18,600.

"This represents the first increase in employment in the trade, transportation, and utilities sector since April 2009. The job gains are concentrated in retail trade enterprises, reflecting multiple store openings and an expansion at a different retailer," Detzel said.

The mining and logging sector had 100 more jobs in October 2009. The sector has added 400 workers since October 2008 because of hiring in the coal mining industry.

The construction sector rose by 100 positions in October 2009. Since October 2008, employment in the construction sector has fallen by 17,600 jobs.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations and civic and professional organizations, fell by 2,200 positions in October 2009. This sector had 2,600 fewer jobs in October 2009 than in October 2008.

Kentucky's manufacturing sector lost 2,000 jobs in October 2009. Compared to October 2008, jobs in the sector plummeted by 32,900.

"This marks the 16th time in the last 17 months industrial employment has fallen. Job losses are attributed to the durable goods subsector, which is indicative of layoffs at a number of automobile parts manufacturers, and the closings of another automobile parts producer and a durable goods plant," Detzel said.

The educational and health services sector dropped by 400 jobs in October 2009. The sector had 600 more workers in October 2009 than October 2008. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

"The employment losses were evenly distributed between educational services enterprises and health care and social assistance businesses. The decrease in the number of jobs in the educational services industry is a sign of budget constraints and declines in endowment funds during difficult economic times," Detzel said.

The information sector dropped by 100 positions in October 2009. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 700 positions since October 2008.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for October 2009 was 1,838,433 on a seasonally adjusted basis. This figure is down 3,635 from the 1,842,068 employed in September 2009, and down 71,458 from the 1,909,891 employed in October 2008.

The monthly estimate of the number of unemployed Kentuckians for October 2009 was 232,488, up 6,843 from the 225,645 Kentuckians unemployed in September 2009, and up 91,330 from the 141,158 unemployed in October 2008.

The monthly estimate of the number of Kentuckians in the civilian labor force for October 2009 was 2,070,921. This figure is up 3,208 from the 2,067,713 recorded in September 2009, and up 19,872 from the 2,051,049 recorded in October 2008.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp

fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.

A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeaepp.htm>.

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